



# NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

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## **STATE TREASURER PHIL ANGELIDES COMMENTS ON THE SCHWARZENEGGER ADMINISTRATION'S DECISION ON PENSION BONDS**

### *Angelides Supports Finance Director's Decision on Borrowing Plan*

SACRAMENTO, CA – California Treasurer Phil Angelides applauded Director of Finance Tom Campbell's statement that the state budget will no longer count on nearly \$1 billion in pension obligation bonds proposed by Governor Schwarzenegger. In his statement regarding the proposed bond sale, Director Campbell said that he "did not consider it wise, safe, in presenting a realistic picture to include the ability to sell them, at least in the current year."

This year's budget included the plan to issue \$929 million in long-term bonds to cover part of the State's annual payment to fund state worker pensions. Since it was proposed by Governor Schwarzenegger in January, Treasurer Angelides has criticized the plan as both legally questionable and bad fiscal policy.

"I am heartened by Finance Director Campbell's announcement that the Schwarzenegger administration is prepared to reverse course and belatedly admit the folly of building a budget on \$1 billion in pension bonds," said Angelides. "I am also encouraged by Director Campbell's pledge to submit an 'honest budget.' With the deficit now exceeding \$8 billion by the Administration's own account, Californians would be well-served by a Schwarzenegger budget that does not rely on more gimmicks and borrowing."

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